

## Eight 2013 IEC Memorial Scholarships Available



*Mike Smith*  
President and CEO

Mike Smith, McDonough Power president/CEO has announced that the Illinois electric cooperatives will again in 2013 award seven academic scholarships to high school seniors through a memorial scholarship fund designed to financially assist deserving students in the “electric cooperative family.” In addition, an eighth scholarship – to assist with costs in attending an electric lineworker school – will also be offered.

The eight scholarships of \$1,500 each will be awarded in 2013 through the Thomas H. Moore Illinois Electric Cooperatives (IEC) Memorial Scholarship Program. **8232D7A-632C**

Four scholarships will be awarded to high school seniors who are the sons or daughters of an Illinois electric cooperative member receiving service from the cooperative. A fifth scholarship, the Earl W. Struck Memorial Scholarship, will be awarded to a student who is the son or daughter of an Illinois electric cooperative employee. The sixth and seventh scholarships are reserved for students enrolling full-time at a two-year Illinois community college who are the sons or daughters of Illinois electric cooperative members, employees or directors.

A new eighth annual scholarship, the “LaVern and Nola McEntire Lineworker’s Scholarship,” was awarded for the first time in 2011. This \$1,500 scholarship will help pay for costs to attend the lineworker’s

school conducted by the Association of Illinois Electric Cooperatives in conjunction with Lincoln Land Community College, Springfield, Ill. Sons and daughters of co-op members; relatives of co-op employees or directors; individuals enrolled in the Lincoln Land lineworker’s school; and individuals who have served or are serving in the armed forces or National Guard are all eligible for the lineworker’s scholarship.

“We hope to assist electric cooperative youth while honoring past rural electric leaders with these scholarships,” says Smith. “McDonough Power and the other Illinois electric cooperatives are always seeking ways to make a difference in our communities. One of the best ways we can do that is by helping our youth through programs like this one. In addition, we are very pleased to offer the electric lineworker’s scholarship. It will benefit not only electric cooperative youth but also those fine men and women who have served their country through their military service and may now be wanting to become a trained lineworker.”

For more information regarding the scholarships, contact Kelly Hamm at 309.833.2101 or via email at [khamm@mcdonoughpower.com](mailto:khamm@mcdonoughpower.com). All necessary paperwork is being sent to area high school guidance counselors and is available for download at the cooperative’s website at [www.mcdonoughpower.com](http://www.mcdonoughpower.com)

**Our office will be closed  
for Thanksgiving –  
November 22 & 23**





## McDonough Power Cooperative

1210 West Jackson Street  
P.O. Box 352  
Macomb, Illinois  
61455-0352

309-833-2101

[www.mcdonoughpower.com](http://www.mcdonoughpower.com)

Office hours:  
7 a.m. - 4 p.m. - Weekdays



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## Communities and counties form buying co-ops for power

Many communities and counties across Illinois are voting on aggregating their citizen's buying power into basically power purchasing cooperatives. This community and county wholesale power buying aggregation is what Illinois electric cooperatives have already been doing for their member-owners, in some cases for over 75 years.

Under the 1997 Illinois deregulation law, not-for-profit electric cooperatives and municipally owned utilities were treated differently than for-profit, investor-owned utilities such as Ameren and Commonwealth Edison. Because of their consumer-owned structure and aggregated buying power, the not-for-profit and locally owned and controlled electric cooperatives were allowed to maintain their local decision making authority on whether or not to maintain their aggregated buying power as a group, or to enter the deregulated market with both its risks and potential rewards.

Until recently, deregulation has not been a very successful experiment with a critical marketplace like electricity. And, there have been very mixed results in the few states that have deregulated the power marketplace. **4233D1-538C**

With lower demand for electricity and excess supply of power caused by the recession, plus historically low natural gas prices due to new found reserves created with fracking technology, current market based wholesale power prices have declined. The decline in short term market based prices created what some expect to be a short term opportunity for a number of Alternative Retail Electric Supplier (ARES) power marketers. They have been able to secure short-term contracts and have targeted individuals who could switch electric suppliers. More recently in Illinois, they have sought after aggregated markets, specifically communities and counties.

Electric cooperatives already provide market aggregation and have formed generation and transmission cooperatives to provide long-term stability in power supply and price. This long-term approach is different than the approach ARES power

marketers have taken, which includes aggressive mail and phone marketing and the marketing of short term one to three year contracts for wholesale power.

A reasonable analogy would be entering into a short-term adjustable rate mortgage loan agreement that contained a low variable rate of interest and a "balloon provision" (which requires all amounts due and owing to be paid in full at the end of a two or three year term, or refinanced at a much higher rate). Contrast this with signing a loan for a 30-year period at a fixed rate. Prudence for those who expect to be in business long term would likely be to choose the long term fixed rate, rather than the riskier short-term rate that can be expected to increase over the long term. Your co-op has respectfully chosen what the board deems to be the more prudent approach for the long-term.

To enter into the deregulated market, member elected board members and locally elected municipal leaders would need to vote to open up their respective service territories to the marketing efforts of ARES power marketers. It is important to note that only the wholesale energy portion of electric bills would be open to the ARES marketing efforts. The responsibility for local service, billing and outages plus transmitting and distributing the wholesale power is still the local utility's obligation and expense.

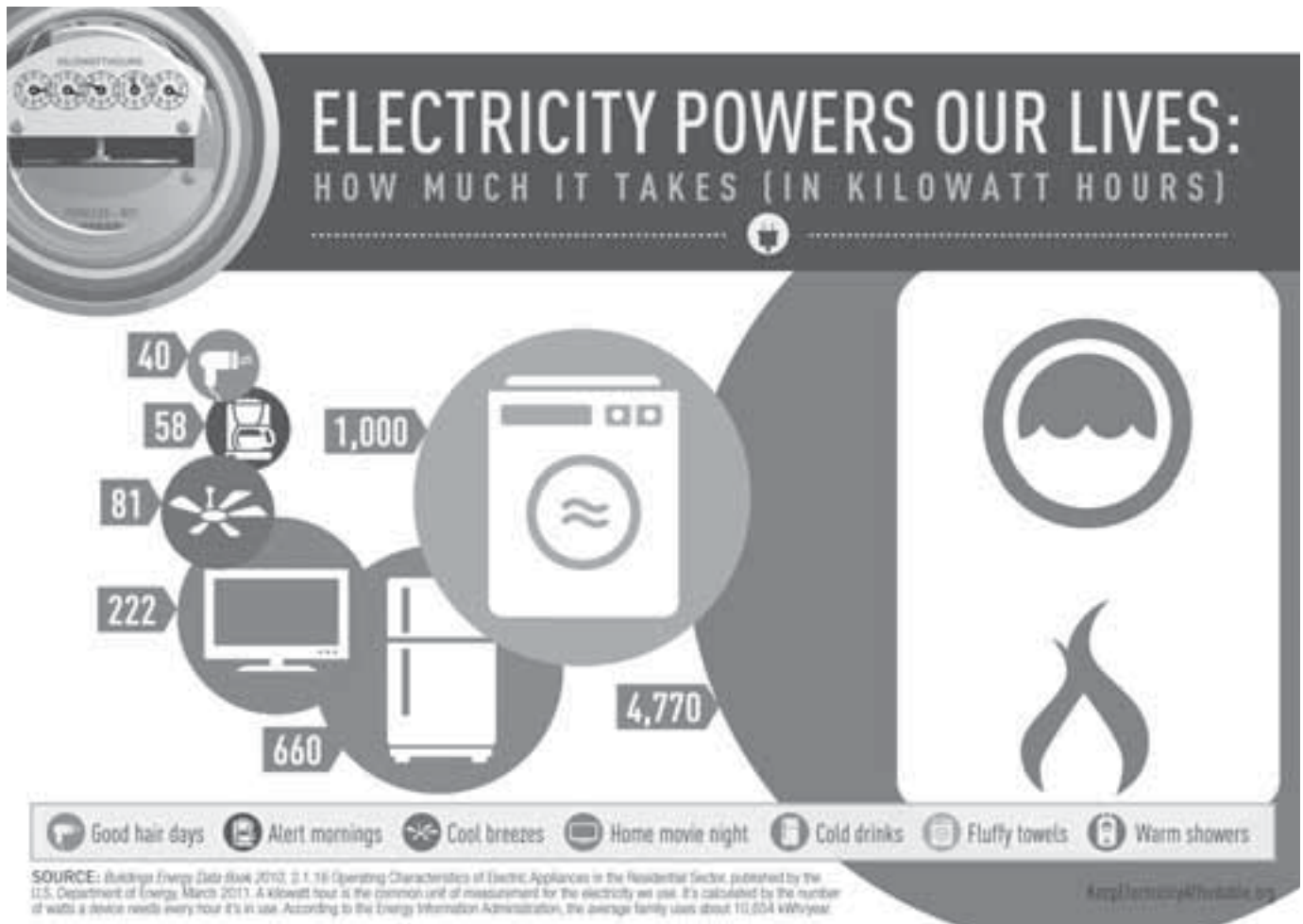
The not-for-profit, consumer-owned electric cooperatives and municipal utilities have invested millions of dollars on behalf of their members and consumers in power supply options from the latest clean coal technology to renewable wind energy projects so as to provide long-term power supply stability. A long-term diversified power supply portfolio is simply a prudent risk management approach. This power supply investment and diversification, plus cooperative aggregation of members' buying power has proven successful over the long haul, and should provide reliability and price stability for the energy needs of member-owners, not just in the short term of a few years, but for decades to come.



# Are you considering a renewable energy system?

Your electric cooperative seeks to provide its members and patrons with the best electric service possible, and at the lowest cost consistent with sound economy and good management. In some cases, cooperative members and patrons may become interested in installing their own generation equipment. In these cases, your cooperative stands ready to work with you to ensure that your generation equipment is installed in a proper and safe manner, and in accordance with all applicable codes, standards, regulations, laws and insurance requirements. Your cooperative engineers and customer service representatives understand the complexities of these issues and have a process to allow interconnection of small renewable energy systems owned by members. **7420D2-606B**

If you are considering a system, please contact Kelly Hamm for a packet of information – which details the co-op policies and includes an application for interconnection. Keep in mind that the cooperative can only assist with information pertaining to connecting to our system.





# Surviving Power Surges

## Why your hair dryer may be out to get your microwave

By Angela Perez

**H**igh-tech gadgets, appliances, and computers all have one weakness in common: deadly power surges. Too much electricity coursing through connecting wires can fry circuitry inside sensitive electronics, reducing them to expensive trash.

Unfortunately, electric current coming from your wall outlet doesn't always remain at a steady, optimal 120 volts. Electricity can spike for a number of reasons, including lighting strikes on power lines, which can send millions of volts searing through your wiring. Motor-driven appliances that use large amounts of power—like washers and dryers—will cause surges, too, when they kick on and off. But power spikes aren't always dramatic or obvious, notes Ron Paulsen, McDonough Power line superintendent.

"Smaller electrical products, like your hair dryer, have more subtle power cycles than large items like a central air-conditioning unit," Paulsen says. "When you use your hair dryer every morning,

it could be gradually damaging the circuitry of, say, your microwave, as each small surge hits its circuit board."

All is not lost.

Homeowners can protect digital electronics with surge suppressors. As the term implies, these devices suppress a fluctuating power supply by diverting excess voltage to a ground wire. There are several types of whole-house surge suppressors available, although none of them are able to fully stand up to the enormous power spike caused by lightning. **532RM74-900A**

Some protectors mount on your circuit breaker panel indoors or are built into a specific circuit breaker. Others are designed to mount at the base of your electric meter. Suppressors are available for a multitude of applications, from single-plug wall units to rack-mounted setups that cover an entertainment system.

For those who don't like continually stooping to flip the switch on a power strip, some models even include remote

controls. You can also find pivoting protectors that adjust to accommodate a variety of adapters, letting you plug all of your gadgets into one strip.

Finally, keep a few things in mind before you buy.

"It's important to remember that many of your devices may be connected to other outlets, like satellite, cable, phone, and Internet lines," Paulsen adds. "Surge protectors are available with options to protect these conduits as well. And make sure the manufacturer guarantees to cover the cost of replacing any damaged equipment that was attached."

*Angela Perez writes on technology issues for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.*

### Member Prizes

Every month we will have four map location numbers hidden throughout The Wire. If you find the map location number that corresponds to the one on your bill (found above the usage graph), call our office and identify your number and the page that it is on. If correct, you will win a \$10 credit on your next electric bill.



### Tip of the Month

Your kitchen can yield big energy savings. Check the refrigerator door seal for a tight fit. Run only full dishwasher loads, and use the microwave rather than oven to reheat food and make small meals. Finally, unplug small appliances when not in use—many draw power even when turned off. Find more ways to save at TogetherWeSave.com.

*Source: Touchstone Energy® Cooperatives*